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# CRUSH INTERNATIONAL LIMITED

45TH ANNUAL REPORT, FISCAL YEAR ENDED OCTOBER 30, 1968



## ANNUAL MEETING

The Annual Meeting of our Shareholders will be held at the Granite Club, 63 St. Clair Avenue West, Toronto, at 11.30 o'clock in the morning, on Wednesday, February 26th, 1969.



# CRUSH INTERNATIONAL LIMITED

45TH ANNUAL REPORT, FISCAL YEAR ENDED OCTOBER 30, 1968



## Report to Shareholders of Crush International Limited

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The past year's performance was the best in the Company's history as sales and earnings advanced to record levels.

Sales of \$33,069,442 were 14.6% higher and earnings before taxes of \$2,895,152 were 32.4% greater than those of the previous year.

Net earnings for the year at \$1,659,569, or \$1.21 per share, are 13.9% higher than the 1967 earnings of \$1,456,685, or \$1.06 per share.

Taxes took a greater proportion of earnings this year because of the special surcharge of 10% on increased United States earnings moving the income tax rate from 48% to an effective 52.8% since January 1968. In addition we were required to pay full tax rates from certain foreign sources of income formerly tax free.

For several years your Company has been following a plan of expanding the franchise divi-

sion by developing larger and more important markets. This has progressed most favourably. While it required a substantial investment in marketing, the soundness of the policy is demonstrated very graphically in the results of the past year. We will continue and accelerate our efforts in advancing this programme in the years ahead.

In 1968, glass shortages due to a manufacturers strike in the United States, and continuing monetary difficulties in certain international operations created some problems. Notwithstanding, Crush and Hires sales increases exceeded national averages and these products gained substantial strength in the industry. This has been accomplished, too, in the face of "fad" drinks which have had the effect of making the public increasingly more aware of quality products.

## *J. William Horsey Esquire*

1892—1968

*The death of J. William Horsey on December 20, 1968 was of profound sorrow to us all. His leadership and dynamic direction as President, Chairman of the Board and, latterly, as Chairman of the Executive Committee provided the drive behind the development and progress of the Company over the years.*

*Mr. Horsey was a man of exciting vision and his perceptive contributions to the deliberations of your Board of Directors and to the Company will be sadly missed. His passing ends a business career of great personal accomplishment.*



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The Soft Drink Industry is an exciting one and is showing remarkable growth both in volume and in per capita consumption. Hires and Crush are enjoying excellent acceptance by both the trade and the consumer and are growing at a rate well in excess of the U.S. industry growth pattern.

We welcome to the Board of Directors the Hon. Robert H. Winters, who was elected in June, 1968. Mr. Winters is one of Canada's most prominent business executives and his

advice and counsel will be of great value to the Company.

Your Board of Directors acknowledges the efforts, enthusiasm and loyalty of the Company's many employees which contributed greatly to the year's success.

For the Board of Directors

J. M. THOMPSON  
*Chairman of the Board*

LOUIS COLLINS  
*President*

January 10, 1969



## Five Year Comparison

FINANCIAL RESULTS	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>
Gross operating revenue - - - -	\$33,069,442	\$28,844,843	\$25,502,290	\$22,691,767	\$18,765,049
Earnings before taxes - - - -	<u>2,895,152</u>	<u>2,186,576</u>	1,852,944	1,649,531	1,849,482
Provision for Income Taxes - - -	1,235,583	729,891	547,202	271,897	706,778
Net Earnings - - - - -	<u>1,659,569</u>	<u>1,456,685</u>	1,305,742	1,377,634	1,142,704
Earnings per common share - - -	<u>1.21</u>	<u>1.06</u>	.96	1.01	.84
Dividends common - - - - -	547,589	546,588	409,151	326,700	271,478
Dividends per common share - -	.40	.40	.30	.24	.20
Common shares outstanding - - -	1,371,276	1,367,276	1,363,876	1,362,676	1,359,576

## FINANCIAL POSITION

Current assets - - - - -	9,005,254	7,699,862	8,092,528	6,555,999	4,445,065
Current liabilities - - - - -	5,835,186	3,912,969	4,048,551	3,214,119	2,395,758
Working capital - - - - -	3,170,068	3,786,893	4,043,977	3,341,880	2,049,307
Fixed assets net - - - - -	7,803,720	6,183,825	5,836,281	5,340,437	3,839,592
Other assets - - - - -	4,369,303	4,253,974	4,382,623	4,357,692	3,882,820
Long-term indebtedness and customers' deposits - - - - -	4,409,432	4,450,563	5,120,498	4,801,417	2,602,661
Shareholders' equity—common - -	10,933,659	9,774,129	9,142,383	8,238,592	7,169,058
Book value per common share - -	7.97	7.15	6.70	6.05	5.27

## Consolidated Statement of Earnings

FOR THE YEAR ENDED OCTOBER 30, 1968

	1968	1967
GROSS OPERATING REVENUE - - - - -	\$33,069,442	\$28,844,843 ✓
NET EARNINGS BEFORE DEDUCTING THE FOLLOWING - - - - -	4,064,283	3,186,684
Interest on long-term debt, bank loans and advances - - - - -	287,172	185,920
Depreciation - - - - -	545,749	518,065
Amortization of containers - - - - -	376,331	343,843
Profit on sale of fixed assets - - - - -	(40,121)	(47,720)
	1,169,131	1,000,108
	2,895,152	2,186,576 ✓
PROVISION FOR INCOME TAXES (note 5) - - - - -	1,235,583	729,891
NET EARNINGS FOR THE YEAR - - - - -	<u>\$ 1,659,569</u>	<u>\$ 1,456,685</u> ✓

## Consolidated Statement of Retained Earnings

FOR THE YEAR ENDED OCTOBER 30, 1968

	1968	1967
BALANCE—BEGINNING OF YEAR - - - - -	\$ 5,498,350	\$ 5,387,004
Net earnings for the year - - - - -	1,659,569	1,456,685
	7,157,919	6,843,689
Dividends - - - - -	547,589	546,588
Loss on disposal of Winnipeg Division - - - - -	—	153,897
Foreign income taxes on intercompany dividend paid from prior years' earnings - - - - -	—	144,854
Appropriation to contingency reserve - - - - -	—	500,000
	547,589	1,345,339
BALANCE—END OF YEAR - - - - -	<u>\$ 6,610,330</u>	<u>\$ 5,498,350</u>



# CRUSH INTERNATIONAL LIMITED

(Incorporated under the laws of Ontario)

and subsidiaries

## ASSETS

### CURRENT ASSETS

	1968	1967
Cash - - - - -	\$ 3,483,116	\$ 2,875,464
Accounts receivable - - - - -	2,356,075	2,173,694
Inventories at the lower of cost or net realizable value - - - -	2,967,639	2,479,550
Prepaid expenses - - - - -	198,424	171,154
	<u>9,005,254</u>	<u>7,699,862</u>

### FIXED ASSETS

Land, buildings, machinery and equipment at cost - - - - -	11,797,461	9,827,418
Accumulated depreciation - - - - -	3,993,741	3,643,593
	<u>7,803,720</u>	<u>6,183,825</u>

### SUNDRY ASSETS

Returnable containers on hand and with customers—at cost, less amounts written off - - - - -	1,890,953	1,701,136
Deferred accounts receivable - - - - -	148,136	222,170
Investment in shares of foreign subsidiaries not consolidated—at cost (note 1) - - - - -	27,105	27,105
	<u>2,066,194</u>	<u>1,950,411</u>

TRADE MARKS, FORMULAE AND GOODWILL—at cost, less amounts written off - - - - -	2,303,109	2,303,563
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Signed on behalf of the board

LOUIS COLLINS, *Director*

D. A. McINTOSH, *Director*

<u>\$21,178,277</u>	<u>\$18,137,661</u>
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## Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Crush International Limited and its subsidiaries as at October 30, 1968 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.



# Consolidated Balance Sheet

AS AT OCTOBER 30, 1968

## LIABILITIES

### CURRENT LIABILITIES

	1968	1967
Bank advances - - - - -	\$ 662,000	\$ —
Accounts payable and accrued liabilities - - - - -	4,057,853	3,121,424
Income and sundry taxes payable - - - - -	1,115,333	791,545
	<u>5,835,186</u>	<u>3,912,969</u>

REFUNDABLE DEPOSITS ON CONTAINERS - - - - -	<u>521,382</u>	<u>530,113</u>
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### LONG-TERM DEBT (note 2)

6% Mortgage payable - - - - -	125,550	157,950
Term loan (U.S. \$3,500,000) - - - - -	3,762,500	3,762,500
	<u>3,888,050</u>	<u>3,920,450</u>
	<u>10,244,618</u>	<u>8,363,532</u>

### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK

Authorized—

90,000 preference shares of a par value of \$100 each, issuable in series

3,000,000 common shares without par value

Issued and fully paid (note 3)—

1,371,276 common shares - - - - -	<u>3,823,329</u>	<u>3,775,779</u>
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### RETAINED EARNINGS

Contingency reserve - - - - -	500,000	500,000
Unappropriated balance - - - - -	6,610,330	5,498,350
	<u>7,110,330</u>	<u>5,998,350</u>
	<u>10,933,659</u>	<u>9,774,129</u>
	<u>\$21,178,277</u>	<u>\$18,137,661</u>

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 30, 1968 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, December 16, 1968.

COOPERS & LYBRAND  
Chartered Accountants

## Consolidated Statement of Source and Use of Funds

FOR THE YEAR ENDED OCTOBER 30, 1968

	1968	1967
SOURCE OF FUNDS		
Net earnings for the year - - - - -	\$1,659,569	\$1,456,685
Add:		
Charges not requiring cash outlay—		
Depreciation - - - - -	545,749	518,065
Amortization of containers - - - - -	376,331	343,843
	2,581,649	2,318,593
Deduct:		
Profit on sale of fixed assets - - - - -	40,121	47,720
Total from operations - - - - -	2,541,528	2,270,873
6% Mortgage - - - - -	(32,400)	157,950
Term Loan - - - - -	—	3,762,500
Issue of capital stock - - - - -	47,550	20,400
	2,556,678	6,211,723
USE OF FUNDS		
Additions to fixed assets, less proceeds of disposals - - - - -	2,125,523	851,086
Containers, less proceeds of disposals - - - - -	566,148	210,134
Dividends - - - - -	547,589	546,588
Bank Loans - - - - -	—	4,511,500
Deposits on containers - - - - -	8,731	9,284
Expenses on disposal of Winnipeg Division - - - - -	—	32,371
Foreign income taxes on inter-company dividend - - - - -	—	144,854
Deferred accounts receivable - - - - -	(74,034)	158,384
Other - - - - -	(454)	4,606
	3,173,503	6,468,807
INCREASE (DECREASE) IN WORKING CAPITAL - - - - -	(616,825)	(257,084)
WORKING CAPITAL—BEGINNING OF YEAR - - - - -	3,786,893	4,043,977
WORKING CAPITAL—END OF YEAR - - - - -	\$3,170,068	\$3,786,893

## Explanatory Notes to Consolidated Financial Statements

FOR THE YEAR ENDED OCTOBER 30, 1968

## 1. FOREIGN SUBSIDIARIES

The following information on the wholly-owned foreign subsidiaries whose assets and liabilities and income and expenses were not included in these statements is submitted in accordance with the requirements of section 89 of The Corporations Act:

- (a) The accounts of the subsidiaries were not consolidated herein because exchange restrictions apply.
- (b) The subsidiaries' losses for the year were \$2,270. No losses from the subsidiaries have been included in the company's accounts for the year.
- (c) The subsidiaries' undistributed profits earned since acquisition and not taken into the accounts of the company were \$284,791 at October 30, 1968.

## 2. LONG-TERM DEBT

The 6% mortgage is payable in monthly instalments of \$1,350 plus interest and matures on July 31, 1972.

The term loan is a bank loan repayable in annual instalments of U.S. \$390,000 commencing November 1, 1969 with the balance payable on November 1, 1977, bearing interest payable monthly at 1% above prime New York rate and is secured by Serial Bonds which Serial Bonds are secured on the assets of the company and on assets of certain subsidiaries.

## 3. CAPITAL STOCK

Changes during the year in issued and fully paid common shares without par value were as follows:

	Number of Shares	\$
Balance—November 1, 1967 - - - - -	1,367,276	3,775,779
Issue of 4,000 shares for \$47,550 cash pursuant to options held by the executive officers of the company or its subsidiaries - - - - -	4,000	47,550
Balance—October 30, 1968 - - - - -	<u>1,371,276</u>	<u>3,823,329</u>

Executive officers of the company or its subsidiaries hold options exercisable at various dates on or before May 24, 1973 to purchase 18,300 common shares at prices ranging from \$6.00 to \$15.00 per share. During the year, options to purchase 13,500 common shares expired.

## 4. FOREIGN EXCHANGE

Foreign currencies other than United States dollars have been converted at the exchange rate prevailing at the balance sheet date.

United States dollars have been converted to Canadian dollars as follows:

- (a) Current assets and current liabilities at the exchange rate prevailing at the balance sheet date.
- (b) Other assets and liabilities substantially at the rate prevailing when they were acquired or incurred.
- (c) Earnings at the official rate of exchange.

The resulting net exchange adjustment is included on the balance sheet in accounts payable and accrued liabilities.

## 5. INCOME TAXES

Provision for income taxes has been reduced by approximately \$207,000 (\$235,000 in 1967) by the application of pre-acquisition losses of a subsidiary acquired in 1965 and by claiming capital cost allowance in excess of recorded depreciation.

## 6. EXECUTIVE REMUNERATION

The aggregate direct remuneration to the directors and senior officers amounted to \$216,096.



# CRUSH INTERNATIONAL LIMITED

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## Operating in over 50 Countries

### OFFICES

CANADA (*Head Office*):  
1590 O'Connor Drive, Toronto 16, Ontario

UNITED STATES:  
2201 Main Street, Evanston, Illinois 60204

SOUTH AMERICA:  
Avenida Franklin Roosevelt, 84 Rio de Janeiro, Brazil

### SUBSIDIARY COMPANIES

Beverages International Inc.  
Crush Beverages Limited  
Crush International (U.K.) Limited  
Crush International Inc.  
Crush Industria De Concentrados Ltda.  
Gini International Limited  
Inter-American Orange-Crush Company  
International Beverage Services Inc.  
Pure Spring (Canada) Limited

### HOLDING COMPANIES

The Hires Company  
Orange Crush Company

### PRODUCTS

Orange CRUSH  
Lemon-Lime CRUSH  
Grape CRUSH  
Grapefruit CRUSH  
Cream Soda CRUSH  
Strawberry CRUSH  
Sugar-Free Orange CRUSH  
HIRES Root Beer  
HIRES Sugar-Free Root Beer  
KIK Cola  
Sugar-Free KIK Cola  
AMERICA DRY Ginger Ale  
AMERICA DRY Club Soda  
AMERICA DRY Tom Collins  
AMERICA DRY Grapefruit-Lemon  
AMERICA DRY Sugar-Free Ginger Ale  
GURD'S Dry Ginger Ale  
VÉE DE VÉE  
OLD COLONY Beverages  
AMERICA DRY Canned Beverages  
CRUSH Canned Beverages  
HIRES Canned Beverages  
CRUSH Fountain Syrups  
HIRES Fountain Syrups  
PURE SPRING Dry Ginger Ale  
PURE SPRING Flavours & Mixers  
GINI Bitter Lemon  
UPTOWN  
HONEE-ORANGE  
HONEE-GOLD Orange

1-CAL Sugar-Free Soft Drinks  
BRIO CHINOTTO  
INDIA EXPRESS Tonic Water  
EXPORT Canned Soft Drinks

### MASTER FRANCHISE FOR CANADA

ROYAL CROWN Cola  
DIET-RITE Cola  
ROYAL CROWN Canned Soft Drinks  
DIET-RITE Canned Soft Drinks

### CONCENTRATE AND PROCESSING PLANTS

Canada: Toronto, Ontario (2); Ottawa, Ontario;  
Montreal, Quebec (2);  
Burlington, Ontario (Warehouse)

United States: Evanston, Illinois; Trenton, New Jersey

South America: Montevideo, Uruguay; Rio de Janeiro, Brazil

### BANKERS

Canadian Imperial Bank of Commerce, Toronto, Ontario  
American National Bank and Trust Company, Chicago, Illinois  
Madison Bank and Trust Company, Chicago, Illinois

### TRANSFER AGENT

Crown Trust Company, Montreal, Toronto, Winnipeg  
and Vancouver

### LEGAL COUNSEL

Fraser & Beatty, Toronto, Ontario  
Kirkland, Ellis, Hodson, Chaffetz & Masters, Chicago, Illinois  
Baker, McKenzie & Hightower, Chicago, Illinois

### SHAREHOLDERS' AUDITORS

Coopers & Lybrand, Toronto, Ont.  
Lybrand, Ross Bros. & Montgomery, Chicago, Illinois

### ADDRESS ALL COMMUNICATIONS TO

The Secretary, Crush International Limited,  
1590 O'Connor Drive, Toronto 16, Ontario

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Si vous désirez recevoir un exemplaire en français du rapport annuel Crush de 1968, veuillez écrire au Secrétaire, Crush International Limited, 1590 O'Connor Drive, Toronto 16, Ont.

# CRUSH INTERNATIONAL LIMITED

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## Board of Directors

RALPH B. BRENNAN	- - - - -	ROTHESAY, N.B.
President, G. E. Barbour Company Limited, Saint John, N.B.		
*LOUIS COLLINS	- - - - -	EVANSTON, ILLINOIS
President, Crush International Limited, Toronto, Ont.		
NELSON M. DAVIS	- - - - -	TORONTO, ONT.
Chairman, N. M. Davis Corporation Limited, Toronto, Ont.		
IAN R. DOWIE	- - - - -	TORONTO, ONT.
Chairman, Ontario Committee on the Healing Arts.		
HON. LOUIS P. GÉLINAS, M.B.E.	- - - - -	MONTREAL, P.Q.
Executive Consultant, Geoffrion, Robert & Gélinas, Co., Montreal, P.Q.		
**GRANT HORSEY	- - - - -	TORONTO, ONT.
President, Wilgran Corporation Limited, Toronto, Ont.		
†J. WILLIAM HORSEY, LL.D.	- - - - -	TORONTO, ONT.
Director, Crown Trust Company, Toronto, Ont.		
*L. STUART MACKERSY, M.C.	- - - - -	TORONTO, ONT.
Vice-President, North American Life Assurance Co., Toronto, Ont.		
JOHN A. MCCLEERY, C.A.	- - - - -	DON MILLS, ONT.
President, J. A. McCleery Limited, Toronto, Ont.		
*EDWIN C. McDONALD	- - - - -	NEW YORK, N.Y.
Chairman, The Royal Bank of Canada Trust Company, New York, N.Y.		
*D. A. MCINTOSH, Q.C.	- - - - -	TORONTO, ONT.
Partner, Fraser & Beatty, Toronto, Ont.		
ROBERT A. MCNAIR	- - - - -	TORONTO, ONT.
President, McNair Products Co. Limited, Toronto, Ont.		
*J. M. THOMPSON	- - - - -	WILLOWDALE, ONT.
Chairman of the Board, Crush International Limited, Toronto, Ont.		
HON. ROBERT H. WINTERS	- - - - -	TORONTO, ONT.
President, Brazilian Light and Power Company Ltd., Toronto, Ont.		
(**Chairman of the Executive Committee)		
(* Member of the Executive Committee)		
(† Deceased Dec. 20, 1968)		

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## Officers

### CRUSH INTERNATIONAL LIMITED

J. M. THOMPSON - - - - Chairman of the Board  
LOUIS COLLINS - President and Chief Executive Officer  
R. P. J. DEES - - - - - Secretary-Treasurer

### CRUSH BEVERAGES LIMITED

LOUIS COLLINS - - - - - President  
D. E. P. ARMOUR - Vice-President and General Manager  
D. G. OTTAWAY - Vice-President and Asst. General Manager  
P. DAOUST - - - - - Vice-President  
R. P. J. DEES - - - - - Secretary-Treasurer

### GINI INTERNATIONAL LIMITED

LOUIS COLLINS - - - - - President  
W. L. JOHNSON - - - - Vice-President and Treasurer  
W. L. LAUTEN - - - - - Secretary

### BEVERAGES INTERNATIONAL INC.

and

### CRUSH INTERNATIONAL INC.

J. M. THOMPSON - - - - Chairman of the Board  
LOUIS COLLINS - - - - - President  
F. S. O'DONNELL - Vice-President and General Manager  
W. L. JOHNSON - - - - Vice-President and Treasurer  
R. A. POINDEXTER - - - Vice-President Franchise  
J. R. MCGOWAN - - - - Vice-President International  
W. L. LAUTEN - - - - - Secretary

### PURE SPRING (CANADA) LIMITED

J. M. THOMPSON - - - - Chairman of the Board  
NORMAN MIRSKY - - - - - President  
MERVIN MIRSKY - - - - - Vice-President  
R. P. J. DEES - - - - - Secretary-Treasurer



## OUR PLEDGE

Crush International Limited takes pride in the excellence of its products. To create and produce beverages of unsurpassed freshness, purity and quality is our highest aspiration . . . our constant aim. Thus it is with confidence that we publish this symbol as an honest and unconditional guarantee. We pledge our untiring diligence in maintaining our exacting standards of production . . . in supplying beverages of delicious fresh flavour and wholesome healthful goodness.







# AR45

## Semi-Annual Report to Shareholders

for the six months ended May 1, 1968

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CRUSH INTERNATIONAL LIMITED



## Semi-Annual Report 1968

To the shareholders of Crush International Limited:

Outlined below are the unaudited Consolidated Results of the Company and its subsidiaries for the first half of our current fiscal year from November 1, 1967 to May 1, 1968, with comparative figures for the corresponding period of the previous year.

	Six Months Ended	
	May 1, 1968	May 3, 1967
	(in thousands of dollars)	
Gross Operating Revenue . . . . .	12,885	11,569
Net Earnings before Taxes . . . . .	278	212
Provision for Income Taxes . . . . .	108	99
Net Earnings for the Six Months . . . . .	170	113
Earnings per Common Share . . . . .	12½¢	8¢

We are pleased to report that consolidated sales and earnings have again reached all-time highs.

The United States operation is moving ahead in line with our planned expansion programme begun last year to enter major centres with our CRUSH and HIRES brands. The over-all results are gratifying indeed, and are well ahead of forecast. Increased advertising in national network TV will support these brands throughout the summer months.

Foreign business in many areas of the world is developing at a satisfactory rate. However, the effect of this increase on sales and earnings has been tempered slightly by the economic conditions in certain areas in South America, notably Peru, one of our more important markets. In a business so wide-spread and growing as ours we expect periodic and local soft spots which are usually temporary. The over-all growth in our Export Division is encouraging and we foresee continued development in this important area.

In Canada considerable activity is taking place. The opening of our large fully automated plant in Ottawa for the growing PURE SPRING line of products, a much-needed addition, again with fully automated equipment, for our KIK operation in Montreal, increased activity in one-way glass containers and further development of our substantial can market are some of the more important developments. National advertising promotion across Canada will prominently feature Orange CRUSH in the summer and fall months. These and other factors should contribute to a more efficient and profitable operation.

It should be appreciated that a large portion of our annual volume occurs during the summer months and the general outlook for 1968 is good, with continued increased per capita consumption for all soft drinks and a growing share of the market for the products of your Company.

FOR THE BOARD OF DIRECTORS

J. M. THOMPSON  
Chairman

L. COLLINS  
President

June 12, 1968.

# Consolidated Statement of Source and Application of Funds

(Unaudited)

	Six Months Ended	
	May 1, 1968	May 3, 1967
	(in thousands of dollars)	
Working capital—beginning of six months' period	3,787	4,044
SOURCE OF FUNDS		
Net Earnings for the six months	170	113
Add charges not requiring cash outlay:		
Depreciation	254	285
Amortization of Containers	154	173
Loss (Profit) on sale of fixed assets	(8)	(13)
Total from operations	570	558
Increase in deposits on containers	12	3
Issue of capital stock	41	18
Increase (Decrease) in deferred accounts receivable	(6)	31
Total Source of Funds	617	610
	<u>4,404</u>	<u>4,654</u>
USE OF FUNDS		
Additions to fixed assets, net	1,182	214
Purchase of containers, net	341	186
Dividends	273	273
Foreign income taxes on intercompany dividend	—	156
Reduction in long-term debt	24	2,155
Total Use of Funds	1,820	2,984
	<u>2,584</u>	<u>1,670</u>
Working capital—end of six months' period		

## Rapport semi-annuel 1968

Aux actionnaires de Crush Internationale Limitée:

Nous présentons ci-dessous les résultats consolidés sans vérification comptable, de la Compagnie et de ses filiales pour la première moitié de notre exercice financier courant depuis le 1er novembre 1967 jusqu'au 1er mai 1968, avec chiffres comparatifs de la période correspondante de l'année précédente.

	Six mois terminés les	
	1er mai 1968	3 mai 1967
	(en milliers de dollars)	
Revenu brut d'exploitation . . . . .	12,885	11,569
Revenu net avant l'impôt . . . . .	278	212
Réserve pour Impôt sur le Revenu . . . . .	108	99
Bénéfice net pour les six mois . . . . .	170	113
Revenu par action ordinaire . . . . .	12½¢	8¢

Nous sommes heureux de rapporter que les ventes et les revenus consolidés ont de nouveau atteint des niveaux sans précédent.

L'exploitation aux États-Unis progresse en parallèle à notre programme prévu d'expansion commencé l'an dernier, avec le lancement dans les centres importants, de nos marques CRUSH et HIRES. Les résultats généraux sont très satisfaisants et dépassent de beaucoup les prévisions. L'augmentation de la publicité sur le réseau national de télévision appuiera ces marques au cours des mois d'été.

Les affaires à l'étranger dans plusieurs régions du monde entier se développent à un taux satisfaisant. Cependant, l'effet de cette augmentation sur les ventes et les revenus a été légèrement tempéré par les conditions économiques dans certaines régions de l'Amérique du Sud, surtout au Pérou, où existe l'un de nos marchés les plus importants. Dans une entreprise aussi étendue et grandissante comme la nôtre, nous prévoyons des situations périodiques et influencées par des circonstances locales, qui sont habituellement sur une base temporaire. Le développement général de notre division d'exportation est encourageant et nous prévoyons des développements continus dans ce domaine important.

Au Canada, il existe une activité considérable. L'ouverture de notre grande usine entièrement automatisée à Ottawa pour l'assortiment grandissant de produits PURE SPRING, une addition très nécessaire et aussi l'équipement entièrement automatisé pour notre exploitation KIK à Montréal, augmentèrent le commerce avec les contenants en verre à jeter et d'autres aspects de notre marché substantiel de canettes, ce qui constitue certains des développements les plus importants que nous ayons en cours. La promotion publicitaire nationale à travers tout le Canada présentera avec force le produit Orange CRUSH au cours de l'été et des mois d'automne. Ces facteurs et d'autres devraient contribuer à une exploitation plus efficace et plus profitable encore.

Nous devons admettre qu'une grande proportion de notre revenu annuel survient durant les mois d'été et les perspectives générales pour 1968 sont bonnes, avec une augmentation continue de la consommation par personne pour toutes les liqueurs douces et une part grandissante du marché pour les produits de votre Compagnie.

AU NOM DU CONSEIL D'ADMINISTRATION

Le 12 juin 1968.

J. M. THOMPSON  
Président du Conseil

L. COLLINS  
Président



# État consolidé de la source et l'application des fonds (non vérifié)

	Six mois terminés les	
	1er mai 1968	3 mai 1967
	(en milliers de dollars)	
Capital de roulement—au début de la période de six mois . . . . .	3,787	4,044
SOURCE DES FONDS		
Revenu net pour les six mois . . . . .	170	113
Frais ne demandant pas de déboursés:		
Dépréciation . . . . .	254	285
Amortissement pour contenants . . . . .	154	173
Perte (profit) sur la vente des immobilisations . . . . .	(8)	(13)
Total de l'exploitation . . . . .	570	558
Augmentation des dépôts sur les contenants . . . . .	12	3
Émission de capital-actions . . . . .	41	18
Augmentation (diminution) de comptes différés à recevoir . . . . .	(6)	31
Source totale des fonds . . . . .	617	610
	<u>4,404</u>	<u>4,654</u>
EMPLOI DES FONDS		
Addition d'immobilisations, net . . . . .	1,182	214
Achat de contenants, net . . . . .	341	186
Dividendes . . . . .	273	273
Impôt sur le revenu à l'étranger sur dividende inter-compagnie . . . . .	—	156
Diminution de la dette à long terme . . . . .	24	2,155
Emploi total des fonds . . . . .	<u>1,820</u>	<u>2,984</u>
Capital de roulement à la fin de la période de six mois . . . . .	<u>2,584</u>	<u>1,670</u>

# Rapport semi-annuel 1968 aux actionnaires

pour les six mois terminés le 1er mai 1968



CRUSH INTERNATIONALE LIMITEE